

Best Practice for Japan Pharmaceutical Employers

Few organizations in Japan are as susceptible to employee-related risk as those in the pharmaceutical industry.

Employee risk in the pharmaceutical industry.

Recently, a medical company executive and former doctor were **indicted for bribery charges** resulting from an investigation by the Japan Fair Trade Council of the Medical Devices Industry. It relates to the payment of about ¥3.2 million made to the doctor by the medical company for cooperating in medical studies aimed at verifying the safety of the company's medical devices. The studies were never performed, but the doctor was paid.

Would a background check have identified a hiring risk linked to the medical executive and doctor? Probably not, especially if it was their first incidence of reported misconduct.

However, these individuals may seek future employment and pose a potential risk to their future employers. Now, zoom out and imagine all the employees who started their careers with a clean background but left an employer due to misconduct, sanctions, or criminal infractions and are now seeking a new job within the industry.

This is the power of background checks. They can reveal past issues and infractions, arming future pharmaceutical employers with important information to consider in their hiring decisions because “you don't know what you don't know.”

How Background Checks can help

- Revealing candidate's history of incidents involving misconduct, financial sanctions, or even bankruptcy, as well as other offenses that result in a criminal conviction or professional sanctions.
- Employers can uncover “known risks” and use those insights to make more informed hiring decisions that better protect the company, its employees, the people it serves, and its reputation in the larger pharmaceutical industry.

Employee-related risk is endemic in the pharmaceutical industry. To create a more risk-averse environment that positions organizations for long-term success, **pharmaceutical employers—and the vendors that serve them**—should perform background checks on all potential employees.

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Multinational pharmaceutical companies: an influx of foreign professionals.

Multinational pharmaceutical organizations operating in Japan should consider a global approach to background checks. This involves incorporating international database checks from other countries like the United States, U.K., Australia, and more, based on where a candidate has lived, worked, and attended school.

Another important check for international candidates is a global database search. Different from the individualized international checks mentioned earlier, this is an all-in-one search that scans more than 800 watchlist sources from around the world for candidate infractions related to sanctions, sexual offenses, criminal convictions, terrorism, corruption, financial compliance, and more.

Local pharmaceutical organizations: implementing global best practices.

Background checks are now a universal hiring best practice with more than 90 percent of worldwide employers performing background checks. Skipping this crucial step in the hiring process can put pharmaceutical employers from Japan at direct odds with global hiring standards.


Likewise, hiring a workforce of medical professionals who are not fully and appropriately vetted could potentially jeopardize an organization's reputation within the global pharmaceutical community.

All vendor employees and related parties should be screened.

Pharmaceutical organizations often rely on a global network of vendors for everything from raw materials and equipment to third-party research services and logistics. As part of the vendor relationship, vendor employees can gain direct access to sensitive internal data.

Before making contract decisions, it is a recommended best practice to require pharmaceutical vendors to perform background checks on all their employees via a trusted background screening provider.

These background checks can vary from basic to comprehensive depending on the employee's position and level of access and responsibility within the company.



Employment verifications, criminal, and global sanctions are the most requested types of screens in the Asia-Pacific according to our **2024 Global Trends Report**.

Contact us today for more!

We can help. For more information, contact First Advantage today:

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